(c) and (d) While allowing FDI in activities mentioned in (a) & (b) above, since 2003[for (a) &(b) i. above] and 2002 [for (a) &(b) ii. above], it was felt that this would not lead to increase of agricultural prices.

Doubling the trade between India and Thailand

2728. SHRIMATI SYEDA ANWARA TAIMUR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that India and Thailand are exploring opportunities to double the annual trade to 4 billion dollar in the next couple of years, and expand the list of items that could be traded, from 82 to about 5,000;

(b) whether a working group from Thailand had discussions with the concerned officials here to double the trade volume from two billion dollar to four billion dollar; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (c) A Framework Agreement for establishing Free Trade Area (FTA) between India and Thailand was signed by the Commerce Ministers of India and Thailand on 9th October 2003. 82 common items of export interest to both the sides have been agreed for elimination of tariff on a fast track basis *w.e.f.* 1.9.2004. During the visit of Prime Minister Thaksin Shinawatra of Thailand in June 2005, the two Prime Ministers agreed to raise the level of the bilateral trade between India and Thailand to US $ 4 billion by 2007. During the visit of Thai Foreign Minister on August 7-8,2006, the Thai Foreign Minister reiterated this commitment and mentioned that present level of bilateral trade is US $ 2.7 billion and it should be possible to meet the target of US $ 4 billion by 2007 set by the two Prime Ministers.

Import of vanaspati from Sri Lanka

2729. SHRI PR. RAJAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether import of vanaspati from Sri Lanka is duty free under the Free Trade Agreement;

(b) if so, the details thereof;

(c) whether there is any policy for controlling, regulating and for proper distribution of the imported vanaspati;

(d) if so, whether NAFED is associated with the above distribution;

(e) whether the Directorate of Vanasapti, Vegetable Oils and Fats has recommended fixation of Tariff Rate Quota (TRQ) for duty free import of Vanaspati;

(f) if so, the action taken on above recommendation; and

(g) the steps taken to protect the domestic vanaspati industry from the impact of the duty free import?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Under India-Sri Lanka Free Trade Agreeement, duty free import of vanaspati from Sri Lanka is subject to fulfilment of the twin criteria of tariff heading conversion at 4-digit level and 35% value addition stipulated therein.

(c) and (d) The Government has canalised the import of vanaspati including Bakery Shortening and margarine under the India-Sri Lanka Free Trade Agreement (ISLFTA) through National Agricultural Marketing Fedration of India Ltd. (NAFED), to ensure better geographical spread of vanaspati imports from Sri Lanka and its equitable distribution throughout the country uniformly round the year, and at a pre-determined price on a monthly basis.

(e) and (f) The Government has recommended a Tariff Rate Quota (TRQ) for duty free import of vanaspati from Sri Lanka to the Sri Lankan Government, after consulting all the concerned Departments/Organisation including Directorate of Vanaspati, Vegetable Oils & Fats.

(g) Some of the steps taken by the Government to protect our domestic vanaspati industry and to improve its health include:

(i) Import duty on certain vegetable oils of edible grade intended for manufacture of refined oil/vanaspati is levied at a concessional rate;

(ii) Import duty on certain crude vegetable oils of edible grade has been kept low as compared to refined oils to facilitate raw materia! availability;

(iii) Excise duty on refined edible oils/vanaspati/interesterified fat, etc. has been withdrawn;

(iv) Import duty on vanaspati, bakery shortening, interesterified fat, margarine has been raised from 30% to 80%.

(v) During the ongoing negotiations with Sri Lanka under Comprehensive Economic Partnership Agreement (CERA), India has *inter-alia* proposed to Sri Lanka for formalizing Voluntary Export Restraint (VER) of import of Vanaspati from Sri Lanka to India.

Certification for arecanut import by CPCRI

2730. SHRI A. VIJAYARAGHAVAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Central Plantation Crops Research Institute (CPCRI) has certified during 2006 that the arecanut imported are of inferior quality;

(b) if so, the details thereof;

(c) whether there is any regulatory body to control arecanut import and check its quality; and

(d) if so, the details thereof and if not, whether steps would be taken to constitute such a body?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) CPCRI has not certified any imported arecanut samples which are of inferior quality during the year 2006.

(c) and (d) Arecanut is freely importable under the Foreign Trade Policy. CPCRI is not a regulatory authority to control arecanut imports and check its' quality. The Plant Quarantine Authority under Department of Agriculture and Cooperation inspect import consignments to ensure that they are free from pests and diseases. Any import consignments not fulfilling the requirements of plant quarantine is either deported or destroyed or treated to ensure mortality of any quarantine pests before allowing imports. Since institutional arrangements for fulfilling the requirements of Plant Quarantine exists, no further steps are required.